UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF WISCONSIN

I.B.E.W. Local No. 494,
Terrance Faust, Robert Kaschak,
Douglas Carter, Ty Jeranek,
Joseph Gehring, Nick Gehring,
Erik Jacobi, Jeff Roblee,
Michael Helt III, Ben Fischer,
Chad Stewart, Daniel Anderson,
James Wilkinson, James Gaertner,
Terese Jesinski, Tim McPhail,
Pete Kohl, Don Starzman,
Samuel Uttech, Cal Falkenberg,
Bruce Howard.

On Behalf of Themselves and All Others Sharing a Question of Common Interest,

Plaintiffs

v.

Case No.	18-cv-1849

Coates Electric, LLC Brody Coates

Defendants.

COMPLAINT

Plaintiffs, by their attorneys, for their Complaint against Defendants state as follows:

1. This is an action to recover unpaid wages by current and former employees of Coates Electric, and is pled in two components: A claim for minimum wages and overtime pay pursuant to the Fair Labor Standards Act and Wisconsin wage payment laws; and a claim to enforce an arbitration award to recover contractually required straight time wages, overtime pay, and penalties in addition to those provided by federal and state wage laws.

JURISDICTION AND VENUE

- 2. This court has subject matter jurisdiction over this suit pursuant to both 29 U.S.C. §185 for violating a collective bargaining agreement; and pursuant to 29 USC §216(b) and 28 U.S.C. §1331 because Plaintiff alleges violations of the FLSA, 29 U.S.C. §201 et seq.
- 3. This Court has supplemental jurisdiction over the Plaintiff's claims brought under Wisconsin law pursuant to 28 U.S.C. §1367 because they are based upon the same nucleus of operative facts, and therefore form the same case or controversy as their FLSA claims.
- 4. This Court has personal jurisdiction over each defendant because they each reside in Waukesha County, Wisconsin within this district; and because the vast majority of the facts that give rise to the Plaintiffs' claims against the Defendants occurred in this judicial district.
- 5. Venue is proper in this district pursuant to 28 U.S.C. §1391(b)(2) & (c) because a substantial part of the events giving rise to the claims described herein occurred in this district and Defendants may be found within this district.

THE PARTIES

- 6. Individual named plaintiffs are adult residents of the State of Wisconsin who were employed by Coates Electric, LLC ("Coates Electric") in October and/or November of 2018. FLSA consent forms signed by each of the individual Named Plaintiffs are attached to this Complaint.
- 7. I.B.E.W. Local 494 is a labor organization within the meaning of 29 U.S.C. §152(5). It is the collective bargaining representative of the named plaintiffs and other Coates Electric employees.
- 8. Defendant Coats Electric is a Wisconsin limited liability corporation with a principal place of business in Waukesha, Wisconsin. Coates Electric is an employer within the

meaning of Wis. Stat. §109.03(1). Coates Electric is also a business engaged in interstate commerce in that it would regularly utilize tools and materials originating from outside the State of Wisconsin, would perform work for customers from outside the State of Wisconsin, and would occasionally itself perform work outside the State of Wisconsin. At all relevant times, Coates Electric has had annual gross volume of business at or above \$500,000.

9. Defendant Brody Coates is the owner, principal officer in charge of, and registered agent of Coates Electric. In that capacity Coates was responsible for hiring and firing Coates Electric employees, supervising the day to day work of Coates Electric employees, deciding how to spend available Coates Electric funds, overseeing and authorizing the payment of wages and benefits to Coates Electric employees; and maintaining Coates Electric's employment records.

FACTS

- 10. Coates Electric is signatory to, and bound by the Inside Wiremen Agreement, Milwaukee Chapter between Local 494 and the Milwaukee Chapter of N.E.C.A, which is a multiemployer association of employers in the electrical industry.
- 11. The Inside Wiremen Agreement that Coates Electric is bound to requires Coates Electric to pay contractually required wage rates to its journeymen and apprentices; as well as to pay overtime pay equal to time and a half that wage rate if covered employees worked in excess of eight hours per day, and to pay overtime pay equal to two times that wage rate if covered employees worked on weekends or holidays.
- 12. The Inside Wiremen Agreement requires Coates Electric to pay to its employees all contractually required wages by 4:30 p.m. on the first Wednesday following the conclusion of the Sunday to Saturday workweek during which the wages were earned.

- 13. The Inside Wiremen Agreement additionally provides that in the event that Coates Electric laid off or discharged an employee, it is required to pay off the employee with all wages earned during the current workweek on the day of the layoff/discharge; and that Coates Electric is responsible for a penalty of 8 hours of straight time wages for every 24 hour delay in paying off the employee with his final workweek's wages.
- 14. The Inside Wiremen Agreement contains a grievance procedure providing that if Local 494 and the employer cannot by their own representatives adjust a grievance, the grievance shall be referred to a Labor-Management Committee for adjustment.
- 15. The Inside Wiremen Agreement further provides that a grievance can be referred to the Council on Industrial Relations for the Electrical Contracting Industry for adjudication only if the Labor-Management Committee cannot timely adjust the grievance by majority vote.
- 16. For the vast majority of employees and workweeks during October and November of 2018, Coates Electric has failed to pay any wages to its employees by either not issuing a paycheck at all to its employees, by issuing paychecks to its employees and then instructing them to not cash them, or by issuing to its employees paychecks that it had insufficient funds in its designated bank accounts to pay for.
- 17. Upon information and belief, there were also instances in which Coates Electric either paid to the Plaintiffs less wages than they were entitled to receive under the contractual rates and overtime rules specified by the Inside Wiremen Agreement; or paid wages to the Plaintiffs after deadline specified by the Inside Wiremen Agreement.
- 18. There were instances when Coates Electric failed to pay to the Plaintiffs all wages owed for the current week on the day of their layoff/discharge, as required by the Inside Wiremen Agreement.

- 19. At all relevant times Brody Coates was responsible, through his control of company monies, for ensuring that Coates Electric's bank accounts had sufficient funds to meet its payroll obligations.
- 20. To the extent Coates Electric lacked sufficient funds to compensate the Plaintiffs for their work performed on or after October of 2018, Brody Coates was responsible for making the decision to continue to assign work to the Plaintiffs while knowing that Coates Electric would not have sufficient funds to compensate the Plaintiffs for such work.
- 21. Brody Coates either actually knew, or should have known that Coates Electric has a legal obligation to compensate the Plaintiffs for their hours worked.
- 22. Local 494 filed a grievance against Coates Electric for its failure to pay to the Plaintiffs, along with other electricians employed by Coates Electric, contractually required straight time and overtime wages by the end of Wednesday following the week during which the wages were earned.
- 23. On November 7, 2018, the Labor Management Committee issued an arbitration award finding that Coates Electric violated the Inside Wiremen Agreement by failing to timely pay contractually required wages to the Plaintiffs and other covered employees. The award was reduced to writing by the Committee on November 15, 2018. The Committee in its award ordered Coates Electric to make all employees whole for their contractually required straight time and overtime wages including bank fees that resulted from failure or late payment of wages, affirmed the contractual penalty of 8 hours of straight time wages per 24 hours of delay for untimely payment of current week's wages for laid off and discharged employees; and imposed a penalty equal to 20% of the contractual penalty for late pay offs for Coates Electric's other failure to timely pay wages to its employees. A copy of the award is attached to this Complaint as Exhibit 1.

24. A copy of the award was mailed to Coates Electric on November 19, 2018. To date Coates Electric has neither complied or made any indication that it intends to comply with the award.

COLLECTIVE ACTION ALLEGATIONS

- 25. Named Plaintiffs brings their First Claim for Relief, pursuant to the Fair Labor Standards Act, on their own behalf and on behalf of all other similarly situated employees employed by the Defendants who did not receive the legally required minimum wage and overtime pay during the time period on or after October of 2018.
- 26. Named Plaintiffs are similarly situated to others in the FLSA Class in that they were not paid any wages, including both minimum wage and overtime pay, for certain weeks that they worked for the Defendants; and in that all members of the FLSA class share the common issues of the appropriate remedy for the Defendants' failure to pay wages, as well as whether Brody Coates was himself a FLSA employer who can be held personally liable for Coates Electric's FLSA violations.
- 27. The First Claim for Relief for violations of the FLSA therefore may be brought and maintained as an "opt-in" collective action pursuant to Section 16(b) of FLSA, 29 U.S.C. §216(b), for prospective members of the FLSA Class that are similarly situated to the Named Plaintiff and have claims that are similar to their First Claim for relief.

COUNT I. VIOLATION OF THE FAIR LABOR STANDARDS ACT

- 28. Plaintiffs re-allege, and incorporate by reference, the allegations contained in paragraphs 1-27 of the Complaint.
- 29. Coates Electric violated 29 U.S.C. §206 by failing to pay to the Plaintiffs minimum wage compensation for their straight time hours worked.

- 30. Coates Electric violated 29 U.S.C. §207 by failing to pay to the Plaintiffs overtime pay equal to time and a half their regular rate of pay for their hours worked over 40 per week.
- 31. Brody Coates, by virtue of both his general exercise of control over the Plaintiffs' employment, and his specific exercise of control over the disposition of company funds as well as the decision to schedule the Plaintiffs for work despite an inability to pay (if any), is an employer under the FLSA who should be held liable for Coates Electric's violations of the FLSA.
- 32. Because Coates Electric and Brody Coates had neither an objectively nor subjectively reasonable basis for believing that it could employ employees to perform work without timely paying to them compensation that they earned, the Plaintiffs and the FLSA class are entitled to recover, in addition to all minimum and overtime pay owed to them, an equal amount as liquidated damages. Liquidated damages should also be assessed as to minimum wage and overtime pay that was belatedly paid to the Plaintiffs and the FLSA class.
- 33. The Individual Plaintiffs and FLSA class are also entitled to recover against Both Defendants their reasonable market-value attorneys' fees to prosecuting this FLSA claim.

COUNT II: ENFORCEMENT OF ARBITRATION AWARD.

- 34. Plaintiffs re-allege, and incorporate by reference, the allegations contained in paragraphs 1-33 of the Complaint.
- 35. The Labor Management Committee award drew its essence from the Inside Wiremen Agreement, which by its plain language specifies minimum straight time wage rates that Coates Electric must pay to its employees, requires overtime pay at specified percentages for the Plaintiffs' hours worked in excess of 8 per day, on weekends, and during holidays, specified deadlines for the payment of both regular wages and wages to laid off/discharged employees, and

specified the penalty for employers who failed to timely pay the current workweek's wages to laid off/discharged employees.

- 36. The award of additional penalties and bank fees to the employees for other failure to timely pay wages similarly drew their essence from the Inside Wireman Agreement when the Agreement explicitly required contractors who failed to timely make all contractual wage payments to appear before the Labor Management Committee; and did not contain any language limiting the Committee's remedial authority in such cases.
- 37. Coates Electric has therefore violated 29 U.S.C. §185 by failing to comply with the Labor Management Committee's arbitration award requiring it to pay straight time wages, overtime wages, bank fees, and penalties to its employees; and thereby violating the Inside Wiremen Agreement.
- 38. Alternatively, because the Labor Management Committee's award clearly drew its essence from the CBA, the Court should confirm the award pursuant to 9 U.S.C. §9.
- 39. The Court should therefore order Coates Electric to, consistent with the arbitration award, pay to the Plaintiffs and its other employees all straight time wages above the minimum wage, all daily, weekend, and holiday overtime pay, as well as all bank fees and penalties required by the Labor Management Committee's award.

COUNT III: CLAIMS UNDER WISCONSIN WAGE COLLECTION LAWS.

- 40. Plaintiffs re-allege, and incorporate by reference, the allegations contained in paragraphs 1-39 of the Complaint.
- 41. Wis. Stat. §109.03(1) and (5) requires Wisconsin employers to pay to their employees all wages required by law, including both minimum wages required by Chapter 104 of the Wisconsin statutes and overtime wages required by DWD §274.03.

- 42. Coates Electric therefore violated Wis. Stat. §109.03(1) and (5) by failing to pay to the Plaintiffs all minimum wage and overtime pay required by law.
- 43. Plaintiffs are entitled to liquidated damages of up to 50% for Coates Electric's violation of Wis. Stat. §109.03(1) and (5) pursuant to Wis. Stat. §109.11(2)(b); and to their reasonable attorneys fees and costs incurred in prosecuting this action pursuant to Wis. Stat. §109.03(6).
- 44. Coates Electric is not entitled to an offset between FLSA and Wis. Stat. §109.11(2)(b) liquidated damages when the two types of liquidated damages are awarded for its violations of different laws.

Plaintiffs therefore respectfully request that the Court enter an order that:

- 1. Imposes joint and several liability upon Coates Electric and Brody Coates for all minimum wage and overtime pay that they were entitled to but did not timely receive, plus liquidated damages for both minimum wage and overtime pay that they to date have not received, and minimum wage and overtime pay that was not timely paid to them;
- 2. Requires Coates Electric to pay to the Plaintiffs all minimum wage and overtime pay required by Wisconsin law to the extent not duplicated by the relief prayed for in paragraph 1, plus 50% liquidated damages for minimum wage and overtime pay that remained unpaid as of the date of the filing of this Complaint;
- 3. Enforces and/or Confirms the Labor Management Committee's arbitration award by requiring Coates Electric to pay to its employees all contractual straight time wages, overtime wages, bank fees and penalties in addition to those required by federal and Wisconsin minimum wage and overtime laws;

4. Awards to the individual plaintiffs and FLSA class their reasonable attorneys' fees and costs incurred in prosecuting their FLSA and Wisconsin wage claims.

Dated this 26th day of November, 2018.

/s/Yingtao Ho
Yingtao Ho
Christopher Ahrens
Attorney for Plaintiffs
The Previant Law Firm S.C.
1555 North RiverCenter Drive, Suite 202
P. O. Box 12993
Milwaukee, WI 53212
Telephone: 414-271-4500
Fax: 414/271-6308

yh@previant.com

I understand that this consent will be filed simultaneously with a lawsuit against in the lawsuit and the lawsuit against in the lawsuit and lawsuit against in the lawsuit against in the lawsuit against in the lawsuit against in the lawsuit against in lawsuit against in the lawsuit against in la

Dated: 11/12/2018

Sianed:

I understand that this consent will be filed simultaneously with a lawsuit against Employed to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

Showing hereby consents to participate in the lawsuit against (antes Electric.) I understand that this consent will be filed simultaneously with a lawsuit against Εμρίογθή to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Signed: November 1818

I, Sauce, hereby consents to participate in the lawsuit against <u>(antes Electric.)</u>
I_understand that this consent will be filed simultaneously with a lawsuit against <u>Επιρίογθν</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated: <u>(연/20/(약</u>

I understand that this consent will be filed simultaneously with a lawsuit against in the lawsuit against to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated: 🔟

I understand that this consent will be filed simultaneously with a lawsuit against to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

I, Terrance Fast, hereby consents to participate in the lawsuit against <u>(antes Electric.)</u> I understand that this consent will be filed simultaneously with a lawsuit against <u>Employed</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated: 12 2018

Signed: Turme O Salos

I, Robert Kaschek, hereby consents to participate in the lawsuit against <u>(antes Electric.)</u>
I understand that this consent will be filed simultaneously with a lawsuit against <u>Employer</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

Sianed:

I understand that this consent will be filed simultaneously with a lawsuit against in the lawsuit against in lawsuit aga

Dated:

I, Ty Jeranek, hereby consents to participate in the lawsuit against <u>(antes Electric.</u>] I understand that this consent will be filed simultaneously with a lawsuit against Employed to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated: 1 - 12 - 1 7

Signed: 4

I understand that this consent will be filed simultaneously with a lawsuit against Engloyed to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

I, MICK GENCING hereby consents to participate in the lawsuit against <u>(autes Electric.)</u>
I understand that this consent will be filed simultaneously with a lawsuit against <u>Employed</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

I understand that this consent will be filed simultaneously with a lawsuit against understand that this consent will be filed simultaneously with a lawsuit against in the lawsuit and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

Sianed:

I, _____, hereby consents to participate in the lawsuit against <u>(autes Electy)</u>. I understand that this consent will be filed simultaneously with a lawsuit against <u>Employed</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

I, Michael Holf, hereby consents to participate in the lawsuit against (autoS Electric.) I_understand that this consent will be filed simultaneously with a lawsuit against Employey to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Signed: MA Ret M

I, Bur Fisher, hereby consents to participate in the lawsuit against <u>(autes Electric.)</u> I understand that this consent will be filed simultaneously with a lawsuit against <u>Employey</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

I understand that this consent will be filed simultaneously with a lawsuit against in the lawsuit against in lawsuit aga

Dated:

I, AND LESSY, hereby consents to participate in the lawsuit against <u>(autes Electric.)</u>
I understand that this consent will be filed simultaneously with a lawsuit against <u>Employed</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

I,, hereby consents to participate in the lawsuit against, l, l	:mploye -
Dated: 12- 2-19	

I, hereby consents to participate in the lawsuit against <u>(autes Electric.)</u>
I understand that this consent will be filed simultaneously with a lawsuit against <u>(mover)</u> to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated:

I understand that this consent will be filed simultaneously with a lawsuit against be proved to recover owed compensation, liquidated damages, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. §201 et seq. This written consent is intended to serve as my consent in writing to Join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Dated: